"Learn how to apply the REVOLUTIONARY new Annualized Loss Exceedence Curve (ALEC) method of modelling risk....."

Stress Testing & Scenario Analysis for Enterprise & Operational Risk Management

Understand the latest techniques in stress testing and scenario analysis

3rd & 4th May 2012
New York, USA

Your Expert Trainer:

Ali Samad-Khan
Founder and President
Stamford Risk Analytics

Key benefits include:

- Limited spaces on a first come, first accepted basis
- Pre-course questionnaire to establish your individual and business concerns
- Several practical case studies and explanations allowing delegates to put theory into practice
- Comprehensive take-away course documentation
- The presentation will include proprietary Stamford Risk Analytics information and is therefore not open to individuals or firms that compete with Stamford Risk Analytics.

Program

Introduction

- Lessons Learned From the Global Financial Crisis
- Why Most Risk Models Systematically Underestimate Risk?
- Why Do We Need Stress Testing and Scenario Analysis?
- Regulatory Requirements (Basel III and Solvency II)

Key Risk Concepts

- What is Risk?
- Likelihood-Impact vs. Frequency-Severity
- Data Analysis Period vs. Time Horizon
- Single Event Loss vs. Aggregate Loss Exposure
- Expected Loss, Unexpected Loss and Total Exposure
- Static vs. Dynamic Risk Models

Risk Classification and Taxonomy

- The Multidimensional Risk Universe (Market, Credit, Operational Risk, etc.)
- A Viable Risk Architecture and Taxonomy
- Risk Factors, Contributory Factors, Events and Effects
- Individual Risk Scenarios vs. Risk Classes
- Emerging Risks

How to Quantify Risk in a Scenario/Stress Test Context

- How Models Work and Why they Sometimes Don't Work
- The ALEC Method
- Alternate Methods of Risk Quantification

Prerequisites to Conducting a Scenario/Stress Test Workshop

- Sources of Information
- Workshop Materials
- Software Tools

Conducting a Scenario/Stress Test Workshop

- Participants, Roles and Responsibilities
- Workshop Procedures
- Hands-on Exercises

Post Workshop Activities

- Applying the Results
- Management Decision Making
- Strategic Planning

the course

The global financial crisis has revealed the need for a paradigm shift in risk management practices.

- Most economic capital models systematically underestimate risk because they don't adequately incorporate the contribution to risk from the so called "black swan" events – evidenced by the fact that the "one in a 100 year" events seem to occur every 10-15 years.
- Most risk models rely exclusively on historical data. As a result, they do not accurately reflect the firm's risk profile when the risk profile changes.
- In order for models to be effective, they must allow for "hard data" to be mixed with "soft data" and/or "expert opinion" in an objective, transparent and theoretically valid manner.

This advanced two-day training course will provide delegates with a strong theoretical/conceptual understanding of the key issues in risk quantification as well as hands-on practical experience in planning, preparing for and conducting a risk-scenario analysis workshop.

Delegates will also learn how to apply the revolutionary new ALEC method for quantifying risk, which is fast becoming the new standard for best practices in risk measurement. The ALEC method, which can leverage both empirical data and/or expert opinion, is ideally suited for stress testing and scenario analysis. Many risk practitioners believe that the ALEC method may become one of the most important innovations in the history of risk management.

The primary focus of this event will be Enterprise/Operational risk management, with appropriate time devoted to the other key financial institutions risks, such as Market, Credit and Insurance risk.

While this training course will introduce delegates to many groundbreaking new concepts, no prior advanced knowledge of mathematics or statistics is required.

how will you benefit?

By attending this course you will learn the following:

- What caused the financial crisis?
- How risk models work and why they sometimes don't work.
- The latest techniques in conducting stress testing and scenario analysis.
- What is the ALEC method, how does it work and how does it compare to the traditional modeling approach?
- Why is risk taxonomy critically important to risk quantification?
- How one can combine data from different sources, including hard data, soft data and expert opinion.
- How to plan, prepare for and conduct a risk scenario analysis workshop.
- What are the key regulatory requirements that pertain to stress testing and scenario analysis.

who should attend?

From Financial Institutions, Investment Banks, Private Banks, Retail Banks, Building Societies & Insurance Companies CEOs, Finance Directors, Chief Risk Officers, COOs along with the Directors, Heads and Managers of:

- Stress Testing and Scenario Analysis
- Enterprise Risk Management
- Risk assessment and modeling
- Risk reporting
- Risk Policy and Strategy
- Risk Control
- Strategic Planning and Forecasting
- Risk Framework Management
- Compliance, Basel II and Solvency II
- Economic Capital and Capital Adequacy
- Strategic, Credit, Underwriting, Market, Investment and Operational Risk Management
- Business Continuity
- Risk and Capital Modeling
- Audit and Compliance

about...

About your Expert Trainer:

Ali Samad-Khan is Founder and President of Stamford Risk Analytics. He has over 15 years of experience in risk management and more than 25 years of experience in financial services and consulting.

Ali has advised more than 100 of the world's leading banks; insurance, energy and transportation companies; and national and international regulators on a full range of risk management issues. Key elements of his Modern ERM/ORM framework and methodology have been adopted by leading institutions around the world.

Recognized globally as a thought leader in the risk management space, Ali's provocative articles and white papers have served as a catalyst for change in the way organizations manage risk. For his pioneering work in this field, Ali was named "one of the 100 most influential people in finance" by Treasury & Risk Management magazine. Ali is also a charter member of Who's Who in Risk Management.

Prior to founding Stamford Risk Analytics, Ali served as a Principal in the ERM Practice at Towers Perrin (now Towers Watson), where he was also Global Head of Operational Risk Management Consulting. Previously, Ali was Founder and President of OpRisk Analytics LLC, a software and data provider, which was acquired by SAS. Before that Ali worked at PricewaterhouseCoopers in New York, where he headed the Operational Risk Group within the Financial Risk Management Practice. Prior to that, he led the Strategic Risk Initiatives Group in the Operational Risk Management Department at Bankers Trust. He has also worked as a policy analyst at the Federal Reserve Bank of New York and at the World Bank.

Ali holds a B.A. in Quantitative Economics from Stanford University and an M.B.A. in Finance from Yale University.

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Stress Testing & Scenario Analysis for Enterprise & Operational Risk Management

Please write in **BLOCK CAPITALS**

UK-CT238

TRAINING COURSE: STRESS TESTING & SCENARIO ANALYSIS FOR ENTERPRISE & OPERATIONAL RISK MANAGEMENT

DATE(S): 3RD & 4TH MAY 2012

VENUE: NEW YORK, USA
VENUE TO BE CONFIRMED
ONE MONTH PRIOR TO THE EVENT

Sales Contract

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Training Course Fees

UK-CT238

☐ **2 DAY TRAINING COURSE FEE @ USD 3,995 PER PERSON**
3rd & 4th May 2012, New York, USA

Payment is required within 5 working days.

marcusevans® financial markets training

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